

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF JACKSON)	CASE NO. 8074
PURCHASE ELECTRIC COOPERATIVE COR-)	
PORATION PURSUANT TO 807 KAR 5:056E,)	
SECTIONS 1(11) AND (12))	

O R D E R

Pursuant to 807 KAR 5:056E, Sections 1(11) and (12), and following proper notice, a hearing was held on January 29, 1981, to review the operation of the standard fuel adjustment clause to determine the amount of fuel cost that should be transferred to the base rates of the utility and to re-establish the fuel adjustment charge.

The Applicant currently purchases its power from Kentucky Utilities Company (KU). The wholesale power rates and the Fuel Adjustment Clause applicable to sales by KU to the Applicant are subject to the Federal Energy Regulatory Commission (FERC).

Data supplied by the Applicant indicates, among other things, that for the two- year period under review (October, 1978 through October, 1980) the Applicant had unrecovered fuel cost of approximately \$67,618. At the hearing, Applicant's witness Stiles requested that the Applicant be permitted to recover fuel cost unrecovered through the fuel clause. Applicant did not request any transfer (roll-in) of fuel cost into the base rates.

As a part of this review the Commission has analyzed monthly filings made by the Applicant in conjunction with the schedule of over- or under-recoveries of fuel cost filed in this proceeding. The Commission's review indicates the monthly report should be revised in order to obtain a more accurate measure of the under or over recovery of fuel cost shown in that report.

The Commission, after review of the evidence of record and being advised, FINDS:

(1) That the Applicant proposes no transfer of fuel cost into the base rates.

(2) That Applicant's alleged under-recovery of fuel cost results from computing the fuel adjustment clause rate on sales during one period and applying the rate to sales of a different period and that Applicant's request to recover these fuel costs should be denied subject to review upon transfer of fuel costs to the base rates.

(3) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that base rates included in the Applicant's tariffs currently on file with the Commission shall remain unchanged as a result of the Commission's Order in this case.

IT IS FURTHER ORDERED, that the revised monthly report, Appendix "A" to this Order, be used by the Applicant for all filings made after the date of this Order under 807 KAR 5:056E to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 13th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katherine Randall
Vice Chairman

Don L. Lammie
Commissioner

ATTEST:

Secretary

COMPANY _____

Purchased Power - Month of: _____

POWER SUPPLIER _____

APPENDIX A
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Fuel Adjustment Charge (Credit):
a. Billed by Supplier \$ _____

Disposition of Energy (KWH)-Month of: _____

9. Total Purchases for the Month: _____

10. Sales (Ultimate Consumer) _____

11. Company Use _____

12. Total Sales (L9 + L10) _____

13. Line Loss and Unaccounted For
(L9 Less L12) _____

Under or (Over) Recovery _____

14. Last Distributor FAC Rate Billed
to All Cycles _____

15. Gross KWH Billed at the Rate on L14 _____

16. Adjustments to Customer Bills (KWH) _____

17. Net KWH Billed at the Rate on L14
(L15 Less L16) _____

18. FAC Revenue (Refund) Resulting
From the Rate on L14 _____

19. Fuel Charge (Credit) Used to
Compute the Rate on L14 _____

20. Total (Over) Under Recovery
(L18 Less L19) _____

b. (Over) Under Recovery on L20 _____

c. Unrecoverable - Schedule 1 _____

d. Recoverable Fuel Cost (L1a
+ L1b minus 1c) _____

2. Number of KWH Purchased _____

3. Supplier's FAC:
a. \$ Per KWH (L1a ÷ L2) _____

b. ¢ Per KWH (L3a x 100) _____

4. Sales as a Percent of Purchases
(100% less percentage on L6) _____

5. Calculation of Distributor's FAC:
a. Recovery Rate \$ Per KWH
(L1d ÷ L2) _____

b. FAC \$ Per KWH (L5a ÷ L4) _____

c. ¢ Per KWH (L5b x 100) _____

Line Loss _____

6. Twelve Months Average (%) _____

7. Last Month Used to Compute L6 _____

8. Line Loss for Month on L7 (%) _____

Line 5c above reflects a Fuel Adjustment Charge (Credit) of _____ ¢/KWH to be applied to bills rendered on and after _____, 19____. Date of Issue _____, 19____. Issued by _____

Title _____

Address _____

Telephone Number _____

CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

- | | |
|--|----------|
| 1. Purchases For the Month (KWH) | |
| 2. Less Line Loss (10% X L1) | _____ |
| 3. Sales (L1 less L2) | |
| 4. Unrecoverable Fuel Charge Per KWH: | |
| a. FAC Rate based on Actual Line Loss
(Current Month's Report L3a ÷ (100% Less L6)) | \$ _____ |
| b. FAC Rate based on 10% Line Loss
(Current Month's Report L3a ÷ 90%) | _____ |
| c. Increment unrecoverable | \$ _____ |
| 5. Unrecoverable Fuel Cost - L4c X L3 carry to Line
1b of current month's report) | \$ _____ |

Note: This schedule is to be filed for each month that the 12 month average Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.